

# Employee Reimbursement Accounts Program (ERA)

AN OPTIONAL TAX-FREE BENEFIT PLAN



## OPEN ENROLLMENT

OCTOBER 6 - NOVEMBER 21, 2003

**CURRENT PARTICIPANTS MUST RE-ENROLL TO  
CONTINUE REIMBURSEMENT ACCOUNT(S) IN 2004.**

**Eligible new employees have 30 days following date of hire to enroll.**

**Keep this booklet as a reference throughout the plan year.**

# EMPLOYEE REIMBURSEMENT ACCOUNTS PROGRAM (ERA)

An Optional Tax-Free Benefit Plan for Eligible Employees

- AUTOMATIC PREMIUM CONVERSION
- MEDICAL EXPENSE REIMBURSEMENT ACCOUNT
- DEPENDENT CARE REIMBURSEMENT ACCOUNT



## OPEN ENROLLMENT

**OCTOBER 6 - NOVEMBER 21, 2003**

Enrollment lines close at 9:00 p.m. Central Time on November 21, 2003

Enroll on-line at <http://etf.wi.gov>

Enroll by phone at 1-800-847-8253

**Keep This Booklet for your reference throughout the plan year.**

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# FREQUENTLY ASKED QUESTIONS

## WHO SHOULD ENROLL?

- Anyone who wants to save money on their out-of-pocket medical and dependent care expenses.
- You must re-enroll during the open enrollment period to continue participation in the Medical Expense Reimbursement Account and the Dependent Care Reimbursement Account.

## HOW MUCH SHOULD I CONTRIBUTE?

- Plan carefully before you enroll. Read this booklet and use the worksheets on *Page 27* to help you determine how much to contribute. Use the calculator on the ETF Internet site to help you determine your pre-tax savings.
- Carefully review your Dual-Choice booklet for changes in the prescription benefit, and other coverage changes. Also review information about any other health, dental, or vision coverage you may have, for benefit changes that may affect your healthcare costs.
- Funds remaining in your account(s) at the end of the plan year, after all eligible expenses have been reimbursed, will be forfeited to the State.
- Money cannot be carried over to the next plan year, nor can it be refunded.

## HOW DO I ENROLL DURING OPEN ENROLLMENT?

There are two fast and easy ways to enroll:

- Telephone: 1-800-847-8253
- Internet: <http://etf.wi.gov>
- Enroll early. Open enrollment is from October 6 through November 21, 2003. No enrollments can be accepted after November 21.
- See *Pages 9-10* for complete information about enrolling during the open enrollment period.

## CAN I CHANGE MY ENROLLMENT ELECTION?

- During Open Enrollment: Use the Internet or telephone enrollment systems to change your election at any time during the open enrollment period. See *Page 9* for more information.
- After Open Enrollment: Changes may be made for a limited time after the open enrollment period, but only if you initially enrolled during open enrollment. Contact your payroll/benefits office for a paper form.

- After Coverage Begins: Your account(s) may not be changed or terminated during the plan year, unless you experience a qualifying “*Change in Status*” event that affects your eligibility to participate in the benefit. See *Pages 20-23* for more information about *Change in Status* events.

## HOW DO I ENROLL AFTER THE OPEN ENROLLMENT PERIOD?

- Newly hired employees: Use a paper enrollment form, available from your Payroll/Benefits Office. You must enroll within 30 days after your date of hire. See *Page 6* for more information about how to enroll.
- Newly eligible due to “*Change in Status*” (i.e. new dependent): You must enroll within 30 days after a qualifying *Change in Status* event. See *Pages 20-23* for more information about enrollment due to a qualifying *Change in Status* events.

## WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- Only expenses for services **incurred** during your period of coverage in 2004 are eligible for reimbursement. See *Pages 13 -17* for details about eligible medical and dependent care expenses.

## CAN MY INSURANCE PREMIUMS BE REIMBURSED?

- No, IRS Regulations prohibit the reimbursement of insurance premiums through a medical expense reimbursement account. However, premium payments for state group health and life, EPIC excess medical, and Spectera vision coverage are automatically deducted from your paycheck on a pre-tax basis, unless you have filed a Premium Conversion Waiver form. See *Page 12* for more information about Automatic Premium Conversion.

## WHEN DOES MY COVERAGE START?

- If you enroll during open enrollment: January 1, 2004.
- If you enroll after the plan year starts: The date of the first paycheck from which ERA deductions are taken.
- Be sure you know your coverage start date before you incur expenses. Expenses incurred outside of your period of coverage cannot be reimbursed. More information about coverage start and end dates can be found on *Pages 7-8*.

# GENERAL INFORMATION

## WHAT IS THE ERA PROGRAM?

The Employee Reimbursement Accounts (ERA) Program is an optional benefit established for eligible state employees. Employee Reimbursement Accounts, also referred to as “Flexible Spending Accounts,” are authorized under Sections 125, 105, and 129 of the Internal Revenue Code and Wis. Stats. §40.85. The ERA program allows you to pay eligible expenses from your **pre-tax** income rather than your after-tax income.



## THE EMPLOYEE REIMBURSEMENT ACCOUNTS (ERA) PROGRAM HAS FOUR DIFFERENT PARTS:

- **Automatic Premium Conversion**, the automatic pre-tax treatment of your payroll deducted premiums for **state** group health and group life insurance (excluding spouse and dependent life insurance costs); EPIC dental and excess medical insurance; and Spectera vision plan.
- A tax-free **Medical Expense Reimbursement Account**
- A tax-free **Dependent Care Reimbursement Account**.

## HERE'S HOW THE ERA PROGRAM WORKS

- Enroll before the plan year begins and make an irrevocable decision about how much to have deducted from your salary.
- Once the plan year starts, your pre-tax benefit election cannot be cancelled or changed unless you

- experience a valid *Change in Status* event. See *Page 20* for more information regarding Changes In Status.
- All of your ERA contributions (including premiums deducted through Automatic Premium Conversion) are taken out of your paycheck before federal, state income and Social Security taxes are calculated on your remaining salary. You keep more money in your pocket because you pay less in taxes!
- When you incur eligible expenses, simply submit your reimbursement request to Fringe Benefits Management Company (FBMC), the Contract Administrator. Eligible expenses for services incurred during the plan year will be reimbursed via check, or directly deposited into your bank account if you choose the Rapid Refund option.

## HERE'S HOW THE ERA PROGRAM COULD WORK TO INCREASE YOUR SPENDABLE INCOME BY SAVING TAXES:

WITHOUT ERA		WITH ERA
\$1,500.00	Gross Pay	\$1,500.00
0.00	ERA Reductions	- 235.00
1,500.00	Taxable Gross Pay	1,265.00
-438.00	Taxes & SS (29.2%)*	-369.00
-235.00	Eligible Expenses	0.00
\$827.00	Spendable Income	\$896.00
Tax savings with ERA = \$69 or 29% of expenses per month		
* Figures assume a 12 month plan year, 15% federal withholding, 7.65% Social Security, and 6.55% state withholding tax. Individual tax rates may vary.		

## WHAT ARE THE REIMBURSEMENT ACCOUNT RULES?

- IRS regulations stipulate that any amount left in your account at the end of a plan year after all submitted reimbursements for the plan year have been processed, will be **forfeited** to the state, and cannot be returned to you or carried forward to the next plan year.
- You have until March 31, 2005 to apply for reimbursement for expenses incurred in plan year 2004.
- Funds deposited in a Dependent Care Reimbursement Account cannot be used to reimburse medical expenses (and vice versa).
- Expenses reimbursed from your Employee Reimbursement Account(s) cannot be claimed on your tax return.
- Eligible expenses cannot be reimbursed until **after** the service has been rendered.
- Medical Expense Reimbursement requests will be paid to the limit of your annual election amount, less any prior reimbursements made during the plan year.
- Dependent Care reimbursement requests will be paid to the limit of the amount in your account when the reimbursement check is written. Any balance due will be automatically paid as more money is credited to your account.
- Your benefit election cannot be cancelled or changed during the plan year unless you experience a valid *Change in Status* event as defined by IRS Regulations.
- Benefit election changes are allowed only if the change corresponds to the status change event and must be approved by FBMC before it can take effect. See *Pages 20-23* for more information about changes in status.
- For more information concerning your benefits or your enrollment, call Fringe Benefits Management Company (FBMC) Customer Service at 1-800-342-8017, between 6 a.m. and 9 p.m., Central; Telecommunications Device for the Deaf (TDD) 1-800-955-8771.

## APPEAL PROCESS

- If you have a claim denied in full or in part, or if you have a *Change In Status* request denied, you have the right to appeal the decision by sending a written request for review within 30 days of the denial. Your written request must state why you think your request should not have been denied. Your letter must include the name of your employer, the date of the services for which benefits were denied (if applicable), a copy of the claim or request, any denial letter you received and any additional documents, information or comments you think may have a bearing on your appeal.
- Upon receipt of your written request, your appeal will be reviewed. You will normally be notified of the results of this review within 30 days from receipt of your written request. In unusual cases, as when review of your appeal requires additional documentation, the review may take longer than 30 days. If your appeal is approved, additional processing time is required to modify your benefit elections.

PLEASE NOTE: Appeals are approved only if the extenuating circumstances and supporting documentation are within IRS regulations governing the plan.

Fringe Benefits Management Company (FBMC)  
Appeals Committee  
P.O. Box 1878  
Tallahassee, FL 32302-1878  
800-342-8017



# ENROLLMENT INFORMATION



## WHO IS ELIGIBLE TO ENROLL?

- Most full-time or part-time classified and unclassified state and university employees are eligible to participate.

## WHO IS NOT ELIGIBLE?

- Employees who are classified as fellows, scholars and research assistants in the University of Wisconsin System, limited term employees (LTEs), student hourlies, and other temporary employees may **not** participate.

## WHEN CAN I ENROLL?

### Open Enrollment October 6– November 21

- Enroll in the Medical Expense Reimbursement Account and/or the Dependent Care Reimbursement Account for the 2004 Plan Year any time between October 6 and November 21. The enrollment line closes at 9:00 p.m. Central on November 21.
- See *Pages 9-10* for more information about enrolling during the Open Enrollment period.

## ENROLLMENT FOR NEWLY HIRED EMPLOYEES

- You may enroll in the ERA program by submitting an enrollment form within 30 days **following** your hire date.
- Complete an ERA paper enrollment form, available from your Payroll/Benefits Office. The Internet and phone enrollments are only available during Open Enrollment.
- Your department's Payroll/Benefits Officer will assist you in determining the number of paychecks you receive yearly and your coverage effective date. Due to processing time, reductions may not begin with your next paycheck.
- Return your completed enrollment form to your Payroll/Benefits Office, **not** to FBMC.
- **Effective date of coverage:** The issue date of your first paycheck from which ERA deductions are made.
- See *Page 7* for more information on your coverage start and end dates.

## ENROLLMENT FOR EMPLOYEES WHO EXPERIENCE A CHANGE IN STATUS

- You may enroll in the program within 30 days after you experience a qualifying *Change in Status* event such as marriage, birth or adoption. See *Pages 20-23* for more information on valid *Change in Status* events.
- Complete a *Change in Status* form, available from your Payroll/Benefits Office or from the ETF Internet site at <http://etf.wi.gov>.
- Contact FBMC's Madison office at 1-608-829-0435, **before** completing the form, to determine eligibility for your desired change(s).
- Submit the completed form to FBMC's Madison office: **FBMC, Suite 210A, 7818 Big Sky Drive, Madison, WI 53719**
- FBMC's Madison office will process your form, and authorize the change(s), then forward a copy to your Payroll/Benefits Office and to FBMC's Florida headquarters.
- **Effective date of coverage:** The issue date of your first paycheck from which ERA deductions are made.

**IMPORTANT:** Be sure to send your form to FBMC's Madison office with ample time for it to be processed and forwarded to your Payroll/Benefits Office before the payroll processing cut-off date. Otherwise, your desired effective date for the change(s) will be delayed. Generally speaking, that means your Payroll/Benefits Office should receive the authorized form at least 10 business days before the paycheck date on which the changes are to be made.

## HOW MUCH SHOULD I DEPOSIT IN MY ACCOUNTS?

- Use the ERA worksheets provided on *Page 27* of this booklet to help you calculate the amount you expect to pay during the plan year for eligible dependent care and/or uninsured out-of-pocket medical expenses. (Refer to the individual reimbursement account descriptions on *Pages 13-17* in this booklet for information specific to each type of account.)
- Be sure that the amount you set aside is a realistic amount. Keep in mind that you may have to make two or three contributions to your Dependent Care

# ENROLLMENT INFORMATION

Reimbursement Account and also pay your dependent care provider before a reimbursement check arrives.

- Consider enrolling in the Rapid Refund (Direct Deposit) option, described on *Page 27*, to reduce mailing delays.
- IRS regulations stipulate that any amount left in your account at the end of a plan year after all submitted reimbursements for the plan year have been processed, will be **forfeited**, and cannot be returned to you or carried forward to the next plan year.
- You have until March 31, 2005 to apply for reimbursement for expenses incurred in plan year 2004.

## WHEN DOES MY PERIOD OF COVERAGE START?

- If you enroll during the Open Enrollment Period: January 1, 2004.
- If you enroll within 30 days **following your hire date or the date of your *Change in Status* qualifying event**: The issue date of your first paycheck from which ERA deductions are made. Only eligible expenses **incurred on or after** this effective date are reimbursable.
- Because of payroll processing cut-off dates, your start date may be several weeks after you submit your enrollment form. Be sure to verify your start date with your Payroll/Benefits Officer before you incur eligible expenses.

### EXAMPLE:

Your employment start date is March 15, 2004. You have 30 days **after** that date to enroll in the program. If you are paid on a bi-weekly basis and submit your application on March 29, the first check from which a deduction may be taken could be as late as April 15, depending on the payroll processing cut-off date. If you are paid on a monthly basis, your coverage start date will be May 1.

## WHEN DOES MY PERIOD OF COVERAGE END?

- If you remain employed for the full plan year: Coverage ends on December 31, 2004.
- If you terminate employment or cease to be an eligible employee prior to the end of the plan year and do not arrange to continue your coverage:  
**Medical Expense Account:** Coverage ends at the end of the pay period following the pay period from which your last ERA payroll deduction was taken. Expenses incurred after this date are not reimbursable.  
**Dependent Care Account:** You can continue to request reimbursement for eligible expenses from your Dependent Care Reimbursement Account until you exhaust your account balance or the plan year ends, even if you have not contributed the full annual amount for which you enrolled.

### EXAMPLES:

1. An employee who is paid on a bi-weekly basis and whose last 2004 paycheck is dated April 29 (the paycheck for pay period April 4 through April 17) will have ERA coverage end as of May 1 (end date of the pay period following the last payroll deduction).
2. An employee who is paid on a monthly basis and whose last 2004 paycheck is dated May 1 (the paycheck for pay period April 1 through April 30) will have ERA coverage end as of May 31 (end of the pay period following the last payroll deduction).

## CAN I CONTINUE COVERAGE IF I TERMINATE EMPLOYMENT OR TAKE A LEAVE OF ABSENCE?

- Your participation in the ERA program may cease during a plan year if you terminate employment, transfer to an ineligible position, go on an unpaid leave of absence, or die, unless you make arrangements to continue your coverage.
- You can continue your reimbursement account(s) for the remainder of the plan year by contributing the remainder of your annual election amount via a tax-free lump sum contribution taken from your last regular paycheck(s), or by contributing after-tax

## ENROLLMENT INFORMATION

payments to your account (Medical Expense Reimbursement Accounts only). In some cases you may also change your election amount by filing a *Change in Status* form. See *Pages 20-23* for more information about Changes In Status.

- **Contact your Payroll/Benefits Office for more information about your options and the required procedures for continuation.**
- If you have contributed your full annual election amount to your account(s), you can receive reimbursements on eligible expenses until your full annual amount has been reimbursed or the plan year ends.



# OPEN ENROLLMENT - October 6 – November 21

- **Enroll Now! Don't wait until the last minute and risk missing the deadline.**
- **No enrollments can be accepted after November 21, 2003, 9:00 p.m.**

## WHO SHOULD ENROLL DURING OPEN ENROLLMENT?

- You must re-enroll in the Medical Expense and Dependent Care Reimbursement Accounts during each Open Enrollment period to continue your accounts for the next plan year.
- You do not need to re-enroll for Automatic Premium Conversion. Your participation will continue automatically.

## CAN I CHANGE MY ELECTION DURING OPEN ENROLLMENT?

- **Yes, you can change your election at any time during the open enrollment period.** If you find that your needs have changed after you enroll, simply use the Internet or telephone enrollment site at any time during the open enrollment period to make the change. Only the last election that you made will be saved. Be sure to record and save your new confirmation number every time you change your election.

## HOW DO I ENROLL DURING OPEN ENROLLMENT?

### INTERNET: [HTTP://ETF.WI.GOV](http://ETF.WI.GOV)

- Log on to the Employee Trust Funds Internet site, then click on the "ERA Open Enrollment" link.
- Follow the prompts to confirm and/or modify (if necessary) your employee information on-line.
- Enter the annual amount for your Medical Expense Account and/or Dependent Care Account.
- Review your selections on the Enrollment Confirmation page. If selections are correct, print a copy for yourself and click on the Exit button.

### TELEPHONE: 1-800-847-8253

- Dial the toll-free number then follow the voice prompts to access the system and enroll, review, and/or change your enrollment.

#### **If you are calling the enrollment line for the first time, you have FOUR options.**

- Press 1 to review your 2003 ERA benefits.
- Press 2 to select your ERA benefits for the 2004 Plan Year.
- Press 3 to verify your address.
- Press 0 to speak with a Customer Service Representative.

#### **If you have already completed your enrollment and are calling back, you have FIVE options:**

- Press 1 to review your 2003 ERA benefits.
- Press 2 to review your 2004 ERA benefits.
- Press 3 to change your 2004 ERA benefits.
- Press 4 to verify your address.
- Press 0 to speak with a Customer Service Representative.

**If you are calling between the hours of 6 a.m. and 9 p.m. Central, Monday through Friday,** you may press "0" from the main menu or at any time during your call to transfer to a Customer Service Representative. They will answer any questions you may have, but they cannot enroll you.

**IMPORTANT:** If you enrolled for both a Medical Expense Account and a Dependent Care Account, but wish to change the election amount for only one of them, please remember to enter the amount you wish to contribute to both accounts, not just the account you are changing. If you only enter contribution amounts to one account, only that account contribution will be saved and you will be enrolled only in that one ERA account for the 2004 plan year.

To completely cancel your participation in the ERA Program for 2004 after you've enrolled, you must contact FBMC's Madison office at 1-877-533-4187 to obtain a paper form.

## CAN I CHANGE MY ELECTION AFTER OPEN ENROLLMENT?

- **Changes may be made for a limited time** after the open enrollment period, **but only if you initially enrolled during open enrollment.** Contact your payroll/benefits office for a paper form.
- **Enrollment elections cannot be changed after the plan year begins** unless there is a qualifying *Change in Status* event. See *Page 20* for more information about *Change in Status* events.

# ERA ENROLLMENT GUIDE

**INTERNET ENROLLMENT: [HTTP://ETF.WI.GOV](http://ETF.WI.GOV), THEN CLICK ON THE ERA OPEN ENROLLMENT LINK**

**TELEPHONE ENROLLMENT: 1-800-847-8253**

Use this guide to make your enrollment via Internet or telephone fast and easy. **THIS IS NOT AN ENROLLMENT FORM.** Call the Madison Enrollment Help Line number listed below if you need a paper form.

**SOCIAL SECURITY NUMBER (SSN).**

--

**TEMPORARY PERSONAL IDENTIFICATION NUMBER (PIN)**

NOTE: The first time you access the FBMC Internet site after October 1, 2003, you must enter your default PIN which is the last four digits of your Social Security Number.

**CHANGE YOUR PIN TO YOUR OWN CONFIDENTIAL 4-DIGIT PIN.**

It cannot be the default PIN. It can be one that you've used previously. Please remember this number. It will be needed if you decide to change your enrollment election during the open enrollment period. This PIN will also be valid for the next 12 months to access the FBMC Interactive Benefits Information line. (See Page 26)

**WORK LOCATION NUMBER** (Refer to the list on *Page 11*)

Your work location may not be properly identified if you are a new employee or have recently changed jobs. Call the Madison Enrollment Help Line if your work location is not properly identified.

**NUMBER OF PAYCHECKS**

Employees paid bi-weekly will receive 26 paychecks in 2004. Employees paid monthly may receive 12 paychecks if they have a full-year appointment. Those with less than a full-year appointment, i.e. 6 months, 9 months, 10 months etc., should use the appropriate number.

**WORK PHONE NUMBER**

--

**E-MAIL ADDRESS** \_\_\_\_\_

This information is used solely for program administration.

In no event will it be sold or used for any other purposes.

**ERA ANNUAL DEDUCTION AMOUNTS: (INCLUDE DECIMAL FOR INTERNET)**

**Medical Expense Annual Amount** (Minimum = \$100; Maximum = \$7,500)

\$  .

**Dependent Care Annual Amount** (Minimum = \$100; Maximum = see below)

\$  .

**TAX FILING STATUS (DEPENDENT CARE ACCOUNTS ONLY)**

- ☐ Married, Filing Separately (\$2,500 Maximum)  
☐ Married, Filing Jointly (\$5,000 Maximum)  
☐ Single, Head of Household (\$5,000 Maximum)

**WRITE YOUR CONFIRMATION NUMBER HERE: (Keep for future reference)**

**IF YOU HANG UP OR QUIT BEFORE YOU RECEIVE A CONFIRMATION NUMBER, YOUR BENEFIT SELECTIONS HAVE NOT BEEN SAVED AND YOU ARE NOT ENROLLED.**

You can change your election through the Internet or telephone system at any time during Open Enrollment. No changes can be made after the plan year begins unless you experience a qualifying *Change in Status* event. See *Page 9* for more information.

**TROUBLE ENROLLING? CALL THE TOLL-FREE MADISON ENROLLMENT HELP LINE AT 1-877-533-4187 or call FBMC's Madison office at 1-608-829-0435.**

## WORK LOCATION NUMBERS

505	Administration	547	Personnel Commission
434	Adolescent Pregnancy Board	550	Public Defender
432	Aging and Long Term Care Board	255	Public Instruction
115	Agriculture, Trade and Consumer Protection	155	Public Service Commission
660	Appeals Court	165	Regulation and Licensing
215	Arts Board	566	Revenue
625	Circuit Court	575	Secretary of State
143	Commerce	545	State Employment Relations
410	Corrections	190	State Fair Park Board
507	Board of Commissions of Public Land	680	Supreme Court
475	District Attorneys	275	Technology for Educational Achievement Board (TEACH)
225	Education Communications Board	380	Tourism
510	Elections Board	395	Transportation
425	Employment Relations Commission (WERC)	585	Treasury
515	Employee Trust Funds	495	UW Hospital and Clinics
521	Ethics Board	285	University of Wisconsin
525	Executive Office		UW - Eau Claire
144	Financial Institutions		UW - LaCrosse
435	Health and Family Services		UW - Stout
235	Higher Educational Aids Board		UW - Oshkosh
245	Historical Society		UW - Platteville
145	Insurance Commission		UW - River Falls
536	Investment Board		UW - Stevens Point
775	Joint Survey Committee on Retirement Systems		UW - Superior
665	Judicial Commission		UW - Whitewater
455	Justice		UW - Madison
765	Legislature		UW - Milwaukee
	Assembly		UW - Green Bay
	Sergeant at Arms		UW - Parkside
	Legislative Council		UW - Centers
	Legislative Fiscal Bureau		UW - Extension
	Legislative Reference Bureau		UW - System Admin.
	Senate		
	Revisor of Statutes	485	Veteran's Affairs
	Legislative Technology Services Bureau	440	Wisconsin Health and Educational Facilities Authority
770	Legislative Audit Bureau	490	Wisconsin Housing and Economic Development Authority
360	Lower Wisconsin State Riverway Board	292	Wisconsin Technical College System Board
540	Lieutenant Governor's Office	100	Wisconsin Health and Education
465	Military Affairs	445	Labor and Human Relations
315	Minnesota/Wisconsin Boundary Area Commission		
370	Natural Resources		

# AUTOMATIC PREMIUM CONVERSION

## WHICH PREMIUMS ARE AFFECTED?

Premium Conversion automatically deducts the following premiums from your pre-tax salary:

- State group health insurance,
- State group life insurance, and
- EPIC dental and excess medical insurance.
- Spectera vision benefit

**IMPORTANT:** The premiums that you pay for other coverage (for example: other medical, dental, life, income continuation or long-term care insurance) are **not** affected by this plan.



## THE END RESULT? LESS TAXES PAID AND MORE MONEY IN YOUR POCKET.

- Participation in Premium Conversion is automatic; **you do not have to re-enroll each year.**
- Due to IRS regulations, employer-provided group term life insurance coverage in excess of \$50,000 results in a tax liability. This liability is offset by the portion of life insurance premiums you pay. Any liability you incur will appear on your annual wage and tax statement (W-2 form) that you receive each January.

## WHAT IF I DON'T WANT TO PARTICIPATE IN AUTOMATIC PREMIUM CONVERSION?

- If you wish to continue to pay taxes on your premium amounts, fill out an *Automatic Premium Conversion Waiver/Revocation of Wavier* form (ET-2340) and return it to your Payroll/Benefits Office. You can obtain a Waiver form from your Payroll/Benefits Officer, or by going to the ETF Internet site at <http://etf.wi.gov>.

## WHEN WILL THE WAIVER BE EFFECTIVE?

- If you file a waiver within 30 days after the date you are first eligible to participate in the ERA program, the date you first enroll in a state group insurance plan that is eligible for premium conversion, or the date you experience a qualifying *Change in Status* event, the waiver will be effective with the first premium deduction following the processing of your form.
- If you file the waiver at any other time, it will become effective on January 1 of the following plan year.
- Once you have filed a waiver it will remain in effect for future plan years, unless you file an *Automatic Premium Conversion Waiver/Revocation of Wavier* form (ET-2340) with your Payroll/Benefits Office.



# MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

This account allows you to use tax-free money to pay for uninsured medical expenses **incurred by you, your spouse and your dependents**. All expenses must be for services provided during the plan year or during your period of coverage.

## WHAT ARE THE CONTRIBUTION LIMITS?

Minimum annual contribution: \$100

Maximum annual contribution: \$7,500

## WHO IS CONSIDERED A DEPENDENT FOR MEDICAL EXPENSE REIMBURSEMENT ACCOUNT COVERAGE?

- A relative or an individual for whom the employee provides over half of his/her support for the calendar year and who, for the calendar year, lives with the employee as a member of the employee's household. The dependent must be a U.S. citizen or a resident of the U.S., Mexico or Canada.
- An eligible child of divorced parents is considered a dependent of **both** parents. Therefore, either or both parents can establish a Medical Expense Reimbursement Account.

## OVER-THE-COUNTER (OTC) DRUGS

Recent IRS rulings have expanded the use of your Medical Expense FSA dollars! You can now be reimbursed for certain Over-the-Counter (OTC) antacid, pain relief, cold and allergy medicine expenses from your Medical Expense ERA Reimbursement for over the counter medicines is conditional on the following:

- the medicine was used for a specific medical condition
- the submitted receipt clearly states the purchase date and name of the medicine
- the reimbursement request is for an expense allowed by your employer's plan and
- your request was submitted in the timely and complete manner already described in your benefits enrollment information.

Please Note: The list of Over-the-Counter medicines eligible for reimbursement will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed about updates to this list, which can be found at [www.fbmc-benefits.com](http://www.fbmc-benefits.com). As soon as a drug or medicine is added to the list, it will be reimburseable retroactively to the start of the then current plan year. However, newly eligible medicines are not considered a valid Change in Status event effecting Medical Expense ERA contributions. Be sure to maintain sufficient documentation to submit

receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

## WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- To be eligible for reimbursement, expenses must be for medical care incurred primarily for the prevention or alleviation of a physical or mental defect or illness. Below is a partial list of eligible expenses.
- Unused funds designated for Medical Expense ERAs cannot be refunded to you. Please verify with your healthcare provider (prior to the commencement of the upcoming plan year) that you are a suitable candidate for any surgical procedure, such as laser eye surgery or other elective procedure, before committing the money to your ERA.

Acupuncture <sup>1</sup>	Learning disability tuition
Alcoholism treatment	Massage therapy <sup>1</sup>
Ambulance service	Medical Mileage (See Page 15)
Artificial limbs	Nursing services <sup>1</sup>
Birth control pills	Optometrist fees
Braille books & magazines	Orthodontic treatment <sup>1</sup>
Car controls for the handicapped	Over-The-Counter (OTC) medicines <sup>4</sup>
Chiropractic care <sup>3</sup>	Orthopedic shoes
Contact lenses (corrective) <sup>2</sup>	Oxygen
Contact lens solutions & cleaners	Psychoanalysis
Crutches	Periodontal fees
Dental fees <sup>3</sup>	Prescription drugs to alleviate nicotine withdrawal symptoms
Dental implants	Reconstructive surgery after mastectomy <sup>1</sup>
Diagnostic tests	Smoking cessation programs/treatments
Doctors' fees <sup>1</sup>	Radial keratotomy
Duplicate prosthetic devices	Special schools for the handicapped
Drug addiction treatment	Surgery <sup>1</sup>
Drugs <sup>3</sup>	Telephone for the deaf
Experimental medical treatment	Transplants of organs
Eyeglasses <sup>2</sup>	Transportation for local and medically necessary out-of-town care
Guide dogs	Vaccinations
Health and dental insurance deductibles/co-payments	Vitamins/natural supplements <sup>1</sup>
Hearing aids & exams	Weight-loss programs/meetings <sup>1</sup>
Hearing treatment	Wheelchairs
Hospital services	X-rays <sup>1</sup>
In-patient or out-patient therapy for mental or nervous disorders	
Injections	
In vitro fertilization	
Lab fees	
Laser eye surgery	

1. Some treatments or services require a letter of medical need from the treating healthcare provider.
2. Expenses are reimburseable based on the date available to be picked up, not the date ordered.
3. Not all drugs requiring a prescription are approved by the IRS as eligible for reimbursement.
4. Eligible OTC drugs include: antacids, pain relievers, cold and allergy medicine expenses. See OTC information on Page XX.

**NOTE:** Budget conservatively. No reimbursement or refund of Medical Expense FSA funds is available for services/surgeries that do not occur.

\* IRS-qualified medical expenses are subject to federal regulatory change at any time during a tax year.



# MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

## WHAT EXPENSES ARE INELIGIBLE?

- **Insurance premiums**
- Vision warranties and service contracts
- Most over-the-counter medical supplies such as Band-aids, vitamins, non-prescription feminine products, herbal medicines, nicotine patches, etc., even if prescribed by your health care provider.  
**Exception:** contact lens supplies and equipment
- Health or fitness club membership fees. These fees **may** be eligible if prescribed to treat a diagnosed medical condition such as diabetes. **Written proof of medical necessity is required.**
- Cosmetic surgery or expenses primarily for cosmetic purposes
- Expenses for services incurred outside the plan year or your period of coverage.

A more complete list appears in IRS Publication 502, available at your Internal Revenue Service office or from the IRS Internet site at [http://www.irs.ustreas.gov/prod/forms\\_pubs/pubs.html](http://www.irs.ustreas.gov/prod/forms_pubs/pubs.html)

**Please note:** IRS regulations prohibit insurance premiums, including Long-Term Care, and any advance payments for future care, such as fees to a retirement facility, from being reimbursed through a Medical Expense Reimbursement Account, even though it is listed in IRS Publication 502.

## WEIGHT-LOSS PROGRAMS AND THE IRS

The IRS officially recognizes obesity as a disease and out of pocket medical expenses for doctor prescribed treatment of obesity is reimburseable under your Medical Expense Account. This includes treatment in weight-loss programs and/or meetings; it excludes diet foods that are substitutes for normal nutritional requirements.

## ORTHODONTIA

Orthodontia treatment designed primarily to improve one's appearance is **not** reimbursable. Orthodontia treatment designed to treat a specific medical condition, such as malocclusion, is reimbursable if the following documentation is

attached to the initial Flexible Reimbursement Request each plan year:

1. A written statement (e.g., bill) from the treating dentist /orthodontist showing the date the service was rendered, the identity of the individual receiving the service, and the cost for the service.
2. A Letter of Medical Need from the treating dentist / orthodontist. Visit the FBMC Web site at [www.fbmc-benefits.com](http://www.fbmc-benefits.com), or call FBMC Customer Service at 1-800-342-8017 to obtain a copy of this letter, or your Orthodontist may furnish a letter attesting to the medical need.
3. A copy of the patient's contract with the dentist / orthodontist for the orthodontia treatment.

If the initial service (banding) takes place under a contract for orthodontia treatment, then the amount shown on a submitted Reimbursement Request Form is reimbursable if it has been paid and is:

- for the initial down payment
- for the entire contract amount paid up-front
- for a contract amount spread out under a payment plan crossing plan years
- monthly payment coupons submitted at the first of each applicable month.

## ERA VS. CLAIMING EXPENSES ON YOUR 1040

Unless your itemized medical expenses **exceed** 7.5 percent of your adjusted gross income, you **cannot** get a break by claiming them on your IRS Form 1040. Both you and your spouse's incomes must be included for purposes of determining adjusted gross income. But you **can** save taxes by paying for your uninsured, out-of-pocket medical expenses through a tax-free Medical Expense Account.

For instance, if your family's adjusted gross income is \$45,000, the IRS would only allow you to deduct itemized expenses that **exceed** \$3,375 (7.5 percent of your adjusted gross income). But, if you have \$2,000 in eligible medical expenses, the Medical Expense Account saves you \$653 in federal income (25 percent) and Social Security taxes (7.65 percent) on these medical expenses. Your savings will be even greater when you include your State income tax.

# MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

With a Medical Expense Reimbursement Account, the money you set aside for eligible medical expenses is deducted from your salary before taxes. So it is ALWAYS tax-free, regardless of the amount. By enrolling in a Medical Expense Reimbursement Account, you **guarantee** your savings.

## IS MILEAGE FOR DOCTOR VISITS REIMBURSABLE?

Yes, it is reimbursable, as long as a receipt, statement or bill from your health care provider is sent along with your request to validate your visit.

Expenses incurred for transportation to and from day care are not a reimbursable expense.

## HOW DO YOU SUBMIT MILEAGE FOR REIMBURSEMENT?

Calculate the mileage on the actual bill/receipt detailing the following: roundtrip mileage multiplied by \$.12 (which is the IRS current amount per mile reimbursable) along with the name of the provider visited.

Example: If your office visit with Dr. Jay on 1/2/04 resulted in a total of 80 miles roundtrip, your note should read:

1/2/04—80 miles x .12 = \$9.60 with the dates of travel and \$9.60 as your amount requested for reimbursement on claim form. In addition, attach your statement, bill or receipt from your health care provider along with your request to validate your visit.

## ARE ALL DOCTORS VISITS REIMBURSABLE?

Yes, if the service provided is medically necessary for vision, dental or medical under IRS regulations, then travel to and from the healthcare office to obtain service is reimbursable.

## ARE PARKING FEES AND TOLLS TO THE DOCTOR'S OFFICE REIMBURSABLE?

Yes, in addition to mileage reimbursement at \$.12 per mile, you may seek reimbursement for parking fees and tolls to your medical appointment. To substantiate the claim you will need to provide a receipt for the toll and/or parking fee in addition to a bill or receipt from your healthcare provider.

## IS MILEAGE REIMBURSABLE FOR VISITS TO AND FROM MY LOCAL PHARMACY FOR MY PRESCRIPTION(S)?

Yes, a visit to your pharmacy will be treated as a visit to your local healthcare provider.

## ARE EXPENSES INCURRED FOR OUT-OF-TOWN HEALTHCARE SERVICES REIMBURSABLE, I.E., AIRLINE FARE, HOTEL ROOM AND RENTAL CAR?

You may be reimbursed for the amounts you pay for transportation to another city if the trip is primarily for, and essential to, receiving medical services. You cannot include in medical expenses a trip or vacation taken merely for a change in environment, improvement of morale, or a general improvement of health, even if you make a trip on the advice of a doctor.

## ARE THE LODGING EXPENSES I INCUR DURING MY DEPENDENT'S OUT-OF-TOWN HOSPITALIZATION REIMBURSABLE?

Yes. You may be able to include in medical expenses the cost of lodging not provided in a hospital or similar institution. The amount you include in medical expenses for lodging cannot be more than \$50 per night for each person. Lodging is included for a person for whom transportation expenses are a medical expense because that person is traveling with the dependent receiving medical care. For example, if a parent is traveling with a sick child, up to \$100 per night can be included as a medical expense for lodging for both. Meals are not included.

# DEPENDENT CARE REIMBURSEMENT ACCOUNT

Dependent child, adult and elder care expenses make up a significant portion of many family budgets. The Dependent Care Reimbursement Account lets you use tax-free dollars to cover such expenses -- enabling you and your spouse to work, actively look for work or attend school full-time.

## WHAT ARE THE CONTRIBUTION LIMITS?

- If you file your income taxes as “head of household” or “married, filing jointly” you can put up to \$5,000 a year into your account.
- NOTE:** If you and your spouse establish separate Dependent Care Reimbursement Accounts, the **combined** total may not exceed \$5,000.
- If either you or your spouse earn less than \$5,000 a year, you can deposit only as much as the lower of the two incomes.
  - If you are married, but file a separate federal income tax return, you may deposit a maximum of \$2,500 to your Dependent Care Reimbursement Account.
  - If your spouse is a full-time student or incapable of self-care, your maximum is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.
  - If you have only one eligible child, your maximum for IRS tax credit is \$3,000, but you may set aside up to \$5,000 through ERA if your tax filing status allows.
  - The minimum annual contribution is \$100.

**Note: The Dependent Care account is not for medical expenses incurred by dependents.**



## WHAT ARE THE ELIGIBILITY REQUIREMENTS?

A qualified dependent can be:

- A child age 12 or younger who resides in your household and for whom you can claim an exemption, or
  - An adult or child who is mentally or physically incapable of self care and who regularly spends at least eight hours a day in your household.
  - Eligible dependent care expenses must be for the physical care of the dependent, either inside or outside the home.
- Dependent care cannot be provided by you, your spouse or other dependent.
  - If you are married, your spouse must work, actively look for work, be a full-time student or be mentally or physically incapable of self-care.
  - For more information, refer to IRS publication 503 available at your Internal Revenue Service office or from the IRS Internet site at [http://www.irs.ustreas.gov/forms\\_pubs/pubs.html](http://www.irs.ustreas.gov/forms_pubs/pubs.html)

## WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT?

- Day and dependent care facility fees for qualified dependents.
- Before-school and after-school care for qualified dependents.
- Local day camp fees for qualified dependents. (Sports camps and other instructional camps are excluded **unless** the primary purpose of the camp is for the physical care of the child.)
- Fees for at-home care of qualified dependents that allow you to work and your spouse to either work, actively look for work, or go to school full-time.
- Charges for preschool and nursery school may qualify as dependent care expenses, if the attendance allows you to work and your spouse to either work, actively look for work or go to school full-time.

# DEPENDENT CARE REIMBURSEMENT ACCOUNT

## WHAT EXPENSES ARE INELIGIBLE?

- Educational expenses incurred for a child in kindergarten or above
- Child support payments, or care for any periods of time that your child or dependent is not living with you
- Health care costs, educational tuition or sports camp fees
- Overnight care for your dependents (**unless** it allows you and/or your spouse to complete shiftwork during that time)
- Nursing home fees
- Books or supplies
- Registration fees or activity fees
- Deposits, **unless** part of fee for care of dependent
- Meal and transportation costs, if they are **separate** from your dependent care expenses
- Expenses incurred outside the plan year or your period of coverage

## REIMBURSEMENT ACCOUNT VS. CHILD-CARE TAX CREDIT

Generally a Dependent Care Reimbursement Account saves you more in taxes than the Child Care Tax Credit, but it depends on your income.

- If you expect your adjusted gross family income to exceed \$24,000, and you are not in the 15% tax bracket, the Dependent Care Reimbursement Account will probably benefit you more, but you should consult your personal tax advisor regarding your specific situation.
- You can use the Dependent Care Reimbursement Account and file for a tax credit as long as the total for both (the amount you have placed in your Reimbursement Account plus the amount you have paid for dependent care) does not exceed the tax credit limits; \$3,000 for one dependent and \$6,000 for two or more dependents.
- You cannot use the tax credit if you are married and filing separately.
- You cannot use the same expenses for **both** the tax credit and your Dependent Care Reimbursement Account.
- Call FBMC Customer Service at **1-800-342-8017** for a free tax analysis of which method will save you more.
- Carefully follow IRS reporting requirements for Dependent Care accounts. IRS Form 2441 (1040) and Schedule 2 (1040A) require that you provide the name and tax identification number (or Social Security number) of the dependent care provider when filing your taxes.

# DEPENDENT CARE REIMBURSEMENT ACCOUNT

## HERE'S HOW ONE FAMILY SAVED

Thousands of dollars in day care expenses for their children made Mike and Kathy Mallory decide to set up a tax-free Dependent Care Reimbursement Account.

Last year, they paid \$6,000 for day care for their three-year-old twin daughters. The Mallorys realized they would benefit by having the tax-free reductions taken from their salary. The maximum contribution to a Dependent Care Reimbursement Account is \$5,000.

They decided to put the maximum \$5,000 in the reimbursement account and pay the rest of the cost out-of-pocket.

Reimbursement from their tax-free reimbursement account for their day care expenses during the plan year will save them about \$1,150 more in taxes than if the Mallorys used the dependent care income tax credit.

## PERSONAL INFORMATION

**Names:** Mike and Kathy Mallory

**Ages:** Mike, 32; Kathy, 31

**Family Status:** Married, two children

**Health:** Excellent

**Other information:** The Mallorys paid a large amount in taxes last year; they are anxious to reduce their taxes and start renovations to their home.

**State Employee:** Both for eight years

**Income:** Mike \$33,000

Kathy \$35,000

	WITH TAX DEDUCTION	WITH ERA ACCOUNT
1. Taxable Income Before Reimbursement**	\$52,800.00	\$52,800.00
2. Less: Dependent Care Paid Before Tax	0.00	-5,000.00
3. Taxable Income After Reimbursement	\$52,800.00	\$47,800.00
4. Less: Federal Taxes (27% of line 3)	-8,908.00	-7,508.00
5. Less: State taxes*** (6.55% of line 3)	-3,458.54	-3,130.90
6. Less FICA taxes (7.65% of line 3)	-4,039.20	-3,656.70
7. Less: Dependent Care Paid After Taxes	-6,000.00	-1,000.00*
8. Plus: Dependent Care Income Tax Credit	+960.00	0.00
9. Income After Dependent Care Expenses	\$31,354.26	\$32,504.40
10. Additional Taxes Saved With Account (Individual tax rates may vary.)		<b>\$1,150.14</b>

## Should the Mallorys use the Reimbursement Account Method? YES

\*The Mallorys can also claim the extra \$1,000 in child care expenses as an income tax credit.

\*\*Standard deductions and exemptions have been deducted from the adjusted gross income to arrive at this taxable income amount.

\*\*\* Individual state tax rates will vary. Wisconsin State tax information may be found at the Dept. of Revenue Internet site, <http://www.dor.state.wi.us>

NOTE: No earned income credits included in calculations.



# IMPACT OF ERA ON OTHER BENEFITS



## SOCIAL SECURITY

Participation in the ERA program, including the premium conversion component, will reduce salary used for calculating your eventual Social Security benefit. However, the benefit reduction is small compared with the tax savings earned. The following table compares the possible Social Security reduction with tax savings realized through the ERA program.

Number of years using tax-free premiums	Estimated reduction in Total Lifetime Social Security benefits		Total tax savings*
	MALE	FEMALE	
10	\$1,536	\$1,865	\$2,718
20	3,071	3,729	5,436
30	4,608	5,596	8,154
35 or more	5,376	6,528	9,513

\* Tax savings based on a 15% federal income tax and 7.65% Social Security tax, with \$100 in tax-free contributions per month. Your savings will be even greater when you include your state income tax. Higher tax brackets will also increase tax savings; Social Security reduction remains the same. Assumes retirement at age 65. The difference in male and female estimates is based on life expectancy at retirement.

## WISCONSIN RETIREMENT SYSTEM (WRS) AND OTHER STATE BENEFITS

State law (Wis. Stats. §40.87) specifically states that participation in the ERA program will **not** reduce your wages for calculating state retirement benefits.

ERA reductions will **not** reduce your gross income for the purpose of calculating any other state benefits such as sick leave conversion credits, income continuation insurance, life insurance, unemployment or Worker's Compensation.

## TAX-SHELTERED ANNUITIES AND DEFERRED COMPENSATION

Participation in the ERA program **does not** affect your participation in a tax-sheltered annuity or deferred compensation program.

# CHANGES DURING THE YEAR



You may change your ERA election mid-plan year only under *limited* circumstances as provided by established IRS guidelines and the Wisconsin ERA Program. A mid-plan year election change can only be made on a future basis.

## HOW DO I REQUEST AN ELECTION CHANGE?

- A properly completed *Change in Status* request form must be received by FBMC within 30 days **after** a qualifying event as described in the following section. Forms submitted before the date of the event cannot be accepted.
- Obtain a *Change in Status Request* Form from your Payroll/Benefits Office, from ETF's Internet site, or from FBMC's Madison office (608-829-0435 or baye@fbmc-benefits.com).
- If you have any questions about the eligibility of a requested change or completing the form, contact FBMC's Madison office.
- Complete, sign and date the form and submit it to FBMC's Madison office: **FBMC, 7818 Big Sky Drive, Suite 210-A, Madison, WI 53719.**
- FBMC's Madison office will review, on a uniform and consistent basis, the facts and circumstances of each properly completed and timely *Change in Status Request* form.
- Please retain a copy of documentation supporting your mid-plan year election change request. (It does not need to be submitted with your request.) Examples of documentation are: marriage licenses, divorce decrees, birth certificates, etc.
- If the requested change is authorized, a copy of the form will be forwarded to your Payroll/Benefits Office and to FBMC's Florida headquarters.
- **Effective date:** Your changes will be effective on the issue date of your first paycheck from which the new ERA deductions are made.

**IMPORTANT:** Be sure to send your form to FBMC's Madison office with ample time for it to be processed and forwarded to your Payroll/Benefits Office (before the deadline for changes to your paycheck deductions). Otherwise, your desired effective date for the change(s) will be delayed. Generally speaking, that means your Payroll/Benefits Office should receive the authorized form at least 10 business days before the paycheck date on which the changes are to be made.

- If your ERA election change request is denied, you will have 30 days from the date of the denial to file an appeal with FBMC by following the procedures in the "Appeal Process" section appearing on *Page 5*.

## PERMITTED ELECTION CHANGES DURING A PLAN YEAR

You may change your ERA election mid-plan year only when a qualified *Change in Status* event has occurred and the desired change in deduction election corresponds to, **and is consistent with**, the event. Experiencing a *Change in Status* event will not automatically permit a mid-plan year election change unless applicable IRS consistency rules are also met. Change requests must be made within 30 days **after** the event. The circumstances constituting valid election changes include:

### CHANGE IN STATUS (CIS) EVENTS

#### Change In Your Legal Marital Status

Events that change your legal marital status, including: marriage; death of spouse; divorce; legal separation; and annulment.

#### Medical Expense Account

- If you marry, you may increase your election when a family member is added; or cease or decrease your election if: (i) you, your spouse or dependents become eligible under your new spouse's employer's group health (includes a health FSA) plans; and (ii) your spouse is a participant in their employer's plan, and (iii) coverage for that individual becomes effective or is increased under the other employer's plan.
- If you cease to be married, you may decrease your election for the former spouse who loses eligibility. You may enroll in or increase your own

## CHANGES DURING THE YEAR

election only when you have lost coverage under your former spouse's employer's group health (includes a health FSA) plan.

### **Dependent Care Account:**

- If you marry, you may enroll in or increase your election to accommodate any newly-acquired dependent(s); or decrease or cease coverage if your new spouse is not employed or makes a dependent care FSA coverage election through his or her employer.
- If you cease to be married, you may enroll in or increase your election to accommodate your newly-eligible dependent (e.g., due to divorce from non-working spouse); or decrease or cease coverage if eligibility is lost due to an event (e.g., because your dependent now resides with ex-spouse).

### **Change In Number of Your Tax Dependents**

Events that change an employee's number of dependents, including the following: birth; death; adoption; and placement for adoption.

#### **Medical Expense and Dependent Care Accounts:**

- If you gain a dependent, you may enroll in or increase your election for the newly-acquired dependent and any dependents who were not previously covered. Note: No retroactive enrollment will be permitted on account of birth, adoption or placement for adoption because the ERA program is not subject to HIPAA's special enrollment provisions.
- If you lose a dependent, you may decrease or cease your election for the dependent who loses eligibility.

### **Changes In Employment Status That Affect Eligibility**

Any of the following events that change the employment status of the employee, the employee's spouse, or the employee's dependent: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; and a change in worksite.

#### **Medical Expense Account:**

- If your spouse or dependent commences employment that triggers a gain in eligibility

under their employer's plan, you may not drop your Medical Expense Account coverage but you may decrease your election if your spouse or dependent gains eligibility under their employer's group health (including a health FSA) plan.

- If your spouse terminates employment, or goes on an unpaid leave of absence, you may enroll in or increase your election if your spouse or dependent loses eligibility for group health plan (includes health FSA) coverage.
- If you terminate employment or go on an unpaid leave of absence, coverage will cease unless arrangements are made to continue contributions.
- If you go on a paid leave, your contributions will continue and your coverage will be unaffected.

### **Dependent Care Account:**

- If your spouse commences employment that triggers a gain in eligibility under their employer's plan, you may *make or increase your election* to reflect the new eligibility (if your spouse previously did not work). You may also revoke your election if your dependent is added to your spouse's coverage.
- If you terminate employment or go on an unpaid leave of absence, your salary reductions cease but you may continue to request reimbursement for eligible expenses incurred prior to the change from your account until you exhaust your account balance or the plan year ends even if you have not contributed the full annual amount for which you enrolled.
- If your spouse loses coverage under a dependent care reimbursement account because they terminate employment or go on unpaid leave, you may enroll in or increase your election if your spouse has found other employment or is looking for work. You may discontinue your election to your dependent care plan if your spouse is not working or looking for work.
- If you go on paid leave, your contributions will continue unless you file a *Change in Status* form to decrease your annual amount. (Because you will not be actively at work, dependent care expenses incurred during your leave will **not** ordinarily be eligible expenses for purposes of a dependent care account.)

## CHANGES DURING THE YEAR

When you return from leave, you may elect to resume your contributions by completing another *Change in Status* form.

### Dependent satisfies or ceases to satisfy eligibility requirements

Events that cause your dependent to satisfy or cease to satisfy eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstance.

#### Medical Expense Account:

- If your dependent gains eligibility, (e.g. they regain student status and become a dependent) you may enroll in or increase your election to take into account expenses of affected dependent.
- If your dependent ceases to be eligible (e.g. attains age 25 or ceases to be a full-time student, marries, etc.) you may not drop your coverage but you may decrease your election to take into account the ineligibility of the expenses of the affected dependent if eligibility is lost.

#### Dependent Care Account:

- If your dependent gains eligibility, you may enroll in or increase your election to take into account expenses of affected dependent.
- If your dependent ceases to satisfy eligibility requirements (e.g., attains age 13) you may decrease or drop your election to take into account the expenses only of the affected dependent.

### Change in Place of Residence (Your Own, Your Spouse or Dependent)

#### Medical Expense Account:

- No mid-plan year election change is permitted even if a move triggers or causes loss of eligibility (e.g. you or your dependent moves outside HMO service area).

#### Dependent Care Account

- You may make an election change if a change in place of residence results in a change in the cost or coverage of your dependent care provider.

### Changes in Cost or Coverage

#### (Applies only to Dependent Care Accounts)

- Open Enrollment Under Other Employer's Plan. You may make an election change when your spouse or dependent makes an open enrollment change in coverage under their employer's plan if: their employer's plan year is different from your employer's cafeteria plan, their employer's plan permits a mid-plan year election change under this event, and they participate in the same benefit.
- Significant Coverage Curtailment. If your dependent care provider significantly reduces its available hours, or goes out of business, you may revoke your election and make a new election for coverage with another dependent care provider. You may also make a corresponding election change when you switch dependent care providers. For example, if you send your child to a daycare center, you can switch to another daycare center, or even to a relative who is able to provide care for your eligible dependent. If switching dependent care providers results in a cost increase or decrease (even if the switch is to a relative), you can make a corresponding change to your salary reduction amount.

**However**, while a relative who is related to you by blood or marriage provides care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.

- Cost Increases or Decreases. If the cost charged by your dependent care provider increases or decreases, you may, on a reasonable and consistent basis, change your elected contribution under the plan. No change can be made when the cost increase or decrease is imposed by a dependent care provider who is your relative by blood or marriage.

### Certain Judgment, Decrees or Court order

#### (Applies only to Medical Expense Accounts.)

- If a judgment, decree, or court order from a divorce, legal separation, annulment, or change in legal custody requires that accident or health coverage for your dependent child (including a dependent foster child) be provided by:

## CHANGES DURING THE YEAR

- you under your health or accident coverage, you may change your election to provide the child with corresponding coverage.
- your spouse, former spouse, or other individual, you may change your election to cancel corresponding coverage for the child if the other individual actually provides the coverage.

### Medicare and Medicaid

#### (Applies only to Medical Expense Accounts)

- If you, your spouse, or your dependent –
- are enrolled in your employer's health or accident benefit plan, and become entitled to (i.e., enroll in) Medicare or Medicaid (other than coverage solely for pediatric vaccines), then for that individual you may decrease your election; or increase it if prior employer coverage was more comprehensive.
  - lose eligibility for Medicare or Medicaid, then for that individual you may increase your election; or decrease it where the employer plan is more comprehensive.



# REIMBURSEMENT INFORMATION



## HOW CAN I GET MY REIMBURSEMENT?

- After you incur eligible expenses, simply submit your statement, Explanation of Benefits (EOB), receipt, bill or invoice, and any appropriate supporting documentation, along with a completed *Reimbursement Request* form to FBMC. You do not have to pay for the services before submitting a request for reimbursement, but you must actually receive the service before you can be reimbursed.
- You may submit requests as often as you wish, as long as the date of service for which you are requesting reimbursement has passed.
- *Reimbursement Request* Forms are available on the ETF Internet site at <http://etf.wi.gov>
- FBMC will retain your reimbursement request forms and supporting documentation.
- FBMC has up to five business days from the day it receives a properly completed *Reimbursement Request* Form and all the required documentation to process your request.
- There is a 90-day grace period after the plan year ends (until March 31, 2005) during which you may continue to submit claims for expenses which were **incurred** during your period of coverage.
- You can receive your reimbursement faster by enrolling in the Rapid Refund option described on *Page 25*.
- To check on the status of your ERA at anytime, call the Interactive Benefits Information Line at 1-800-865-FBMC (3263) or visit [www.fbmc-benefits.com](http://www.fbmc-benefits.com) (See *Page 26* for details).

- You **must** contact FBMC Customer Service directly to submit a change of address. Simply filling out a reimbursement form with your new address information does not guarantee that your reimbursement will be sent to your new address.

## REQUESTING A MEDICAL EXPENSE REIMBURSEMENT

- For eligible, uninsured expenses, submit statements, bills, invoices, or receipts for all out-of-pocket medical expenses, along with a *Reimbursement Request* form attesting that the expense has been incurred (service received) and is not reimbursable by other insurance.
- The documents should indicate the name of the person receiving the service, name of service provider, type of service rendered, the date, and cost of the service. Be sure your bill or receipt includes a specific description of services rendered.
- **For those services that could be deemed not medically necessary or cosmetic in nature, a written statement from your health care provider that the service was medically necessary is also required.** Alternatively, the health care provider may sign your reimbursement claim form in the space provided.
- FBMC will reimburse you for the amount of your approved claim expense. Reimbursement requests for medical expenses will be paid to the limit of your annual election amount, less any prior reimbursements made during your period of coverage, even though you may not have contributed the amount requested.

# REIMBURSEMENT INFORMATION

## REQUESTING A DEPENDENT CARE REIMBURSEMENT

- After dependent care expenses have been incurred, you can submit a reimbursement request form along with a signed receipt or bill from the dependent care provider, showing the beginning and ending dates of service, amount billed and the name, address and tax identification number of the dependent care facility, or the name, address, Social Security number and signature of the individual providing the care.
- Before you submit your reimbursement request, **you must have received the actual service appearing on the request**, even if you have not yet paid for it.
- FBMC will issue a payment to you for the amount of your approved reimbursement request, up to the balance in your Dependent Care Reimbursement Account at the time the reimbursement is issued. If your request is for more than that, the remainder will be automatically paid as you make additional contributions.

## USE RAPID REFUND TO GET YOUR REIMBURSEMENT FASTER

- Enrolling in Rapid Refund will allow your reimbursement claim check to be deposited directly into your checking or savings account.
- To take advantage of this option, call FBMC at 1-800-342-8017 and request a *Rapid Refund* enrollment form. You may also obtain a *Rapid Refund* form at the ETF Internet site <http://etf.wi.gov>.
- Rapid Refund processing may take four to six weeks.
- You may enroll in Rapid Refund at any time during the plan year.
- **If you currently participate in Rapid Refund, you do not need to file another form for the new plan year. However, if you wish to cancel Rapid Refund, you must complete and submit a new form.**

# ACCESS YOUR PERSONAL BENEFIT INFORMATION



## ACCESS INFORMATION THROUGH THE PHONE

The Interactive Benefits Information Line is FBMC's 24-hour automated phone system. When you dial 1-800-865-FBMC (3262) you can access your benefits anytime to check on a claim, verify the status of an Employee Reimbursement Account, request a form and more!

All you need is your Social Security number (SSN) to access the system for the first time. The last four digits of your SSN will be your first PIN (Personal Identification Number). The system will then ask you to select your own confidential 4-digit PIN for future use. Your new PIN can **not** be the last four digits of your SSN. (NOTE: As of October 1, 2003 all PIN numbers have been reset to the last four digits of your Social Security number. If you have already used the Interactive Benefits telephone information line or enrolled using the Telephone or Internet enrollment systems, the PIN you've chosen there will be the PIN you use here.)

If you forget your PIN, you may press zero during business hours and a Customer Service Representative will be happy to assist you.

Once you've selected a PIN, the system will give you a list of options [see box above] and guide you through a simple, step-by-step process to obtain the information you need.

This system applies only to the ERA Program benefits administered by FBMC. If you need further assistance, call FBMC Customer Service at 1-800-342-8017 or via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com).

### MAIN MENU OPTIONS

#### Press 1 for Employee

#### Reimbursement Accounts

- Medical Expense ERA and Dependent Care ERA
- Current plan year/Previous plan year
- Status of last Reimbursement Request
- Last deposit or payment
- Request a Reimbursement Form
- Inquire about another ERA

#### Press 2 for Form Requests

- Claim Forms
- *Change In Status* Forms

#### Press 3 to change PIN

#### Press 4 to verify your address

### OTHER OPTIONS

#### Press 0 to transfer to a Customer Service Representative

#### Press 9 to return to Main Menu

#### Press\* to repeat the menu

#### Press # to exit Information Line

## ACCESS INFORMATION THROUGH THE INTERNET!

Access FBMC Customer Service through the FBMC Internet site. Log on to [www.fbmc-benefits.com](http://www.fbmc-benefits.com) and click on the "Customers" link. You may also contact Customer Service via e-mail at [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com).

Access your personal Account Information through the FBMC Internet site, too! To access your personal account, you will enter your Social Security number as your Employee Number and the last four digits of your SSN as your temporary PIN. (If you have already used the Interactive Benefits telephone information line or enrolled using either the Internet or Telephone enrollment systems, the PIN you've chosen there will be the PIN you use here.)



## WORKSHEETS

**AT YOUR REQUEST, YOUR ERA REIMBURSEMENT CHECKS MAY BE DEPOSITED INTO YOUR CHECKING OR SAVINGS ACCOUNT BY ENROLLING IN "RAPID REFUND." RAPID REFUND ENROLLMENT FORMS ARE AVAILABLE ON THE ETF INTERNET SITE, OR CALL FBMC CUSTOMER SERVICE. APPLICATION PROCESSING MAY TAKE FOUR TO SIX WEEKS.**

### TAX-FREE MEDICAL EXPENSE REIMBURSEMENT ACCOUNT

Be sure to consult your *It's Your Choice* health plan enrollment book and/or EPIC insurance benefit information to determine your new co-payments, deductibles and covered benefits for Plan Year 2004.

#### PROJECTED PLAN YEAR EXPENSES (NOT covered by insurance)

1. Eligible Medical Expenses to be incurred from January 1, 2004 through December 31, 2004.
 

Insurance deductibles, co-payments	\$	
Immunizations, injections and vaccinations	\$	
Routine examinations and physicals	\$	
Dental and orthodontic expenses (non-cosmetic)	\$	
Prescription drugs or co-pay amount	\$	
Eyeglasses and contacts (corrective, <b>including</b> cleaning/wetting solutions, etc.)	\$	
Transportation to and from medical provider	\$	
Medically necessary nursing home care	\$	
Medically necessary surgery*	\$	
Other expenses	\$	
2. Total annual dollar amount. **\$7,500 MAXIMUM**  
*Enter this amount on your Internet/Telephone Enrollment Guide.*
3. Divide by the number of **regular** paychecks you will receive during the plan year. ÷ \_\_\_\_\_
4. Reduction per regular paycheck \$ \_\_\_\_\_

### TAX-FREE DEPENDENT CARE EXPENSE REIMBURSEMENT ACCOUNT

1. Eligible Dependent Care Expenses to be incurred from January 1, 2004 through December 31, 2004.
 

Infant/toddler	\$	
Preschool	\$	
Before-school or after-school care	\$	
Reporting days (child in school only half a day)	\$	
School holidays/vacations/in-service	\$	
Adult, elder and other dependent care	\$	
2. Total annual dollar amount. \$ \_\_\_\_\_  
*Enter this amount on your Internet/Telephone Enrollment Guide.*  
*Remember, your total contribution cannot exceed IRS limits for the plan year.*
3. Divide by the number of **regular** paychecks you will receive during the plan year. \_\_\_\_\_
4. Reduction per regular paycheck \$ \_\_\_\_\_

*NOTE: Take into consideration the possibility of turnaround delays in receiving reimbursement checks when determining how much you can afford to contribute to either Reimbursement Account.*

\* Unused funds designated for reimbursement accounts cannot be refunded to you. Please verify with your healthcare provider (prior to the commencement of the upcoming plan year) that you are a suitable candidate for any surgical procedure before committing the money to your ERA.

# ENROLLMENT INFORMATION SESSIONS

CITY	LOCATION	DATE	TIME	CITY	LOCATION	DATE	TIME
BOSCOBEL	WI Secure Program Facility	October 8	8-3:30		Transportation 4802 Sheboygan Ave. Room 421	October 15	9-2
CAMP DOUGLAS	Dept. Of Military Affairs Volk Field 100 Independence Dr. Building 475	October 15	1-3		Justice 17 West Main	October 30	11-1
CHIPPEWA FALLS	Northern WI Center National Guard Armory 2811 E. Park Ave.	October 9	10-3		Health & Family Services 1 W. Wilson, 7th Floor Room 751	October 16	10-1
EAU CLAIRE	Transportation 718 W. Clairmont State Office Building Room 105	October 16	9-12		Agriculture, Trade & Consumer Protection 2811 Agriculture Drive	October 7	11-1
	UW Campus Davies Center-105 Garfield Ojibwa Room	October 14	11-2		DNR, DPI & COI Gef 111 125 S. Webster Room 041	October 14	10-2
FOND DU LAC	Transportation (Patrol) 833 Rolling Meadows & Transportation (DMV) 851 Rolling Meadows	October 22	10:30-12		Employee Trust Funds 801 W. Badger Rd. Rm. 2b	October 9	11-1
		October 22	1-2:30		Regulation & Licensing 1400 E. Washington Washington Square Rm. 180	October 22	11-1
FORT MCCOY	Dept. Of Military Affairs WI Military Academy South 10 <sup>th</sup> Ave Main Bldg Dailey Hall	October 15	9-11		Revenue 2135 Rimrock Rd. Cafeteria Area	To Be Announced	
GREEN BAY	Transportation & DNR 944 Vanderperren Way All Conference Rooms	October 9	8-12		WHEDA Commerce & Tourism Wheda Bldg. Tourism Conference Room(2nd Floor) 201 W. Washington	October 22	11-1:30
IRMA	Lincoln Hills School	September 25	10-3:30		Dept. Of Veterans Affairs 30 W. Mifflin St.	October 22	11-1:30
KENOSHA	UW Parkside Main Place 900 Wood Road Library Learning Center	October 8	10-2		Dept. Of Military Affairs 2400 Wright St. Drill Floor	October 16	9-11
KING	WI Veterans Home N2665 County Trunk Qq Marden Memorial Ctr. Room-213 (Multi-purpose Rm.)	October 13	10-2	MENOMONIE	UW Stout Memorial Student Ctr. Ballroom B & C	October 15	10-2
LACROSSE	UW Campus 1741 State Street Cartwright Ctr.	October 20	10-2	MILWAUKEE	Dept. Of Health & Family Services BMCW Site 3 6111 N. Teutonia Large Conference Rm.	October 14	10-3
	Transportation State Office Bldg 3550 Mormon Coulee Rd.	October 14	9-12		DNR 2300 N. Martin Luther King, Jr. Drive Rooms 140-141	October 16	10-1
MADISON	Administration 101 E. Wilson Lobby	October 13	11:30-3:30		Dept. Of Military Affairs Mitchell Field 1919 E. Grange Ave Bldg 611 (Dining Hall)	October 9	9:30-11:30
	UW Hospital 600 Highland Ave. G5/1 Module	October 9	9-3				
	UW Campus Memorial Union Great Hall	October 8	10-3:30				



# ENROLLMENT INFORMATION SESSIONS

CITY	LOCATION	DATE	TIME
	UW Campus 2200 E. Kenwood Blvd. Student Union, 2nd Floor Wisconsin Room	October 9	10-3:30
	State Office Building 819 N. 6th Street Room 40	October 7	10-1
OSHKOSH	UW Campus 748 Algoma Blvd. Reeve Union Rm 202	October 15	1-3
PLATTEVILLE	UW Campus Hickory & N. Main Ullsvik Center Velzy Commons South	October 6	12-4
RHINELANDER	Transportation & Dnr 107 Sutliff Ave. Dnr Office	October 10	9-2:30
RIVER FALLS	UW-River Falls 410 S. 3 <sup>rd</sup> St. Student Center Regents Room	October 16	9-3
STURTEVANT	Racine Correctional 2019 Wisconsin Street	October 7	11-3
SUPERIOR	Transportation 1701 N. 4th St. Lake Superior Conference Rm.	October 9	8-11:30
	UW - Superior UW - Superior Campus Rothwell Student Center Room 111	October 9	12:30-4
UNION GROVE	Southern Oaks Girls School 21425-b Spring St.	October 7	12-3
WAUKESHA	UW Center Southview Hall Room C101 Commons Conference Rm.	October 15	11-3
	Transportation 141 Nw Barstow St. Room 151	October 8	8-12
WALES	Ethan Allen School W323 S105d Boys School Rd.	October 9	9-3
WHITEWATER	UW Campus 800 W. Main Street Hamilton Center	October 7	10-2
WISCONSIN RAPIDS	Transportation 1681 Second Avenue South Rm.124 A & B	October 6	8-12





This document provides a description of available benefits for easy reference purposes.

Official plan documents are available for inspection at the:

**Department of Employee Trust Funds**

**P.O. Box 7931, Madison, WI 53707-7931**

**F B M C**

**Fringe Benefits Management Company**

FBMC Customer Service (Year Round): 1-800-342-8017

Monday-Friday 6 a.m. - 9 p.m. Central

FBMC Madison Office (Year-round): 1-608-829-0435

FBMC Customer Service E-mail Address: [webcustomerservice@fbmc-benefits.com](mailto:webcustomerservice@fbmc-benefits.com)

FLORIDA RELAY SERVICE

Telecommunications Device for the Deaf (TDD)

1-800-955-8771



Administered for the Wisconsin Department of Employee Trust Funds by FBMC,  
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